

## Local Food Promotion Program (LFPP) Final Performance Report

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to LFPP staff to avoid delays:

LFPP Phone: 202-720-2731; Email: [USDALFPPQuestions@ams.usda.gov](mailto:USDALFPPQuestions@ams.usda.gov); Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

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|---|---|
| <b>Report Date Range:</b><br>(e.g. September 30, 20XX-September 29, 20XX) | Sep 30 2014 to Sep 30 2016  |
| <b>Authorized Representative Name:</b>                                    | Tezozomoc   |
| <b>Authorized Representative Phone:</b>                                   | 818-527-6384  |
| <b>Authorized Representative Email:</b>                                   | tezozomoc@hotmail.com   |
| <b>Recipient Organization Name:</b>                                       | South Central Farmers Health and Education Fund                   |
| <b>Project Title as Stated on Grant Agreement:</b>                        | Building Local Food Production Capacity for South Central Farmers |
| <b>Grant Agreement Number:</b><br>(e.g. 14-LFPPX-XX-XXXX)                 | 14-LFPPX-CA-0031  |
| <b>Year Grant was Awarded:</b>  | 2014  |

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|------------------------------|-----------------|
| <b>Project City/State:</b>   | Los Angeles, CA |
| <b>Total Awarded Budget:</b> | \$100,000       |

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

☐ Same Authorized Representative listed above (check if applicable).

x ☐ Different individual: Name: Nancy Smith; Email: \_nancysourceress@gmail.com; Phone: \_573-351-1224

1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. “new objective”, “new contact”, “new consultant”, etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.
2. The purpose of this LFPP grant was to enable South Central Farmers to upgrade their facility in order to be able to market their value-added products online, wholesale and to institutions. Thanks to the funding received from this grant, the overall goal has been almost 100% realized.

- **Goal/Objective 1: Complete cannery certification**

- a. Progress Made: Food Processing Certificate has been earned and received.**

- Individual products have been analyzed by laboratory. This analysis enables the food to be sold online and wholesale.**

The impact of the upgrade has had a significant impact on the community of South Central Los Angeles, providing culturally sensitive foods at farmers markets throughout the LA region. In addition, the farmers’ cooperative which is incubated by SCFHEF has been able to sell hundreds of thousands of pounds of certified organic produce directly to the SCFHEF facility, to be made into culturally sensitive products like salsa and vegetable chips. This vertically integrated system enables the farmers to realize an excellent price for their produce, while removing the burden of value-added production from the cooperative, SCFCoop, and placing it under the umbrella of the nonprofit, SCFHEF. Farmers are enabled To do what they best, growing, while the nonprofit shoulders the burden of production and marketing. In addition, this system allows the farmers to have the assurance that all the fresh, high quality produce they grow is guaranteed to be sold. Production at the facility is able to make use of undersized produce that may not meet cosmetic requirements of a farmers’ market, schools or grocery stores, allowing for greater profit margins for farmers.

All the jobs at the farm and in the production facility have been filled with low-income members of the community.

- b. Impact on Community: 1 full-time and 2 part-time jobs. Safe, culturally sensitive healthy foods are available for the community and schools. Farmers are guaranteed increased income because the processing facility guarantees that it will purchase South Central Farmers’ vegetables.**

- **Goal/Objective 2: Begin value-added production.**

By making use of LFPP grant funds, SCFHEF has been able to train employees in Better Process Control, to certify the facility, and to purchase and use equipment which speeds the process and increases the safety of post-harvest handling. The low-income community has the increased availability of healthy, culturally sensitive foods and SCFHEF has the ability to produce safe, healthy products. Production has continued throughout 2016, and will increase as marketing increases and additional orders are received. This has created a new market segment for the low-income immigrant farmers in the cooperative.

- a. Progress Made: Value-added production has been taking place in the facility for most of 2016 and continues. Sales are up 40%.**

- b. Impact on Community: 1 full-time and 2 part-time jobs. 3 indirect jobs (delivery).**

- **Goal/Objective 3: Deliver 1st order from Whole Foods. Increase marketing efforts for institutional and wholesale sales.**

One of SCFHEF's major goals in this project was to be able to sell to Whole Foods. Whole Foods stores set the standard for quality and safety of certified organic products. The process of acceptance by Whole Foods stores can be arduous, and SCFHEF did not have the capacity for this prior to this grant and the resulting expansion of our processing facility.

The process has taken longer than expected, but significant progress has been made. Whole Foods has inspected our farm, our facility and our products and has awarded us a "Good Food providers" designation. This designation clears the way for our products to be purchased by Whole Foods stores.

Currently, we have limited marketing capabilities to do the ongoing work of servicing Whole Foods accounts, and adding additional Whole Foods stores. Among other requirements, Whole Foods expects frequent tasting demonstrations at each store. We have identified the need for a full-time marketing and fulfillment person to take responsibility for these tasks as well as obtaining orders from additional stores and from institutions. The resulting orders would greatly increase the amount of produce that SCFHEF could purchase from SCF Coop, as well as other farms that have the same standards as ours. We have been providing workshops for other cooperatives made up of immigrant and refugee farmers, with the intention of adding their produce to our value-added products as they become better trained in food safety, crop planning and post-harvest handling to meet our quality standards. Our ultimate goal would be to sell to all Whole Foods stores in our Southern California region, amounting to **20 Whole Foods stores**.

**a. Progress Made: Whole Foods has inspected South Central's farms and declared South Central Farmers as "Good Food" providers. Further product certification is now complete. SCFHEF is seeking funding for a full-time marketing person who would sell to institutions, grocery stores, brokers and wholesalers.**

This grant has enabled South Central to build a relationship with one broker: Aggrigator. Aggrigator is a new local foods brokerage firm currently building up their sales contacts. One large order has been successfully fulfilled.

In addition, we have developed an account with **Overstock.com** in order to provide an internet platform for sales of selected South Central Farmers value-added products.

One of our most important goals was to create a food chain to supply safe, healthy foods to 2 local unified school districts. This goal has been realized and we have sold product to 2 area unified school districts. The 2 school districts named us "Farmer of the Month" in October 2015. This gave us the opportunity to tell our story to the schoolchildren of the 2 districts. The schools report that the story was very well received. Many of the Latino children were encouraged by our success story. In addition, we plan to participate in the "Farmer in the Classroom" program as soon as the school districts are able to implement it, probably in 2017. We would characterize this as a successful result of the grant, and intend to continue to grow the success in future years.

**Impact on Community: Much more widespread sales of SCFHEF's products, resulting in increased job opportunities on the farm, increased income for farmers and increased availability of locally grown, culturally sensitive, certified organic value-added foods. More available of certified organic, locally grown farm products for schoolchildren. Increased understanding by schoolchildren of**

**how food is grown and their own relationship with farmers.**

3. Quantify the overall impact of the project on the intended beneficiaries, if applicable, from the baseline date (the start of the award performance period, September 30, 2014). Include further explanation if necessary.

From the start of the project on September 30, 2014, we have made steady progress in job creation for low-income Latino farmers, and have been able to retain the 8 existing jobs. The increased sales volume resulting from our expansion has created 3 indirect jobs for delivery people.

- **Number of direct jobs created: 1 full-time, 2 part-time**
- **Number of jobs retained: 8**
- **Number of indirect jobs created: 3**

Prior to this grant period, we were mostly engaged in direct sales at 17 area farmers' markets as well as our 3,000 unique customer CSA which serves the entire Los Angeles area. Expansion of our production facility, using the grant funds, has enabled us to expand into 3 additional markets: Whole Foods, supermarkets and institutions (schools).

Sales of value-added products have increased by \$400 per week, which is a 76% increase. Increased volume has enabled us to increase the number of farmers in our project to 35, which is an increase of 30%.

- **Number of markets expanded: 3**
- **Number of new markets established: 4**
- **Market sales increased by \$400 per week and increased by 76%.**
- **Number of farmers/producers that have benefited from the project: 35**
- **Percent Increase of farmers: 30%**

4. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how?

**Customer base has expanded by:**

- **Adding 4 new area schools, all in the Ventura Unified School District**
- **Building a relationship with a new broker, Aggrigator**
- **Expansion of our CSA**

An additional area of expansion for us was to expand our CSA from serving 3,000 unique customers by adding 2 local businesses, which aggregate their employees' orders and allow us to deliver to their locations at pre-arranged times.

In addition, we provide fresh produce for a juice bar run by a Latino immigrant.

- **Online marketing of salsas and bottled spices.**

So far, online marketing has proven to be a challenge. We have gone through the process of creating accounts to sell our products, and have made some sales. We hope to expand this marketing segment in the future.

- **Building relationship with LA Food Policy Council. Made first sale to LAFPC.**

Los Angeles has one of the best food policy councils in the US. They are very engaged with the local foods community, and provide excellent technical assistance and marketing assistance. We have built a relationship with them, and they have offered technical assistance

to train us for future deliveries to the 750,000-student population of the LA Unified School District. The Food Policy Council is impressed with our value-added products, and has ordered salsa and chips for gift boxes they provide for their members.

- **Fulfilling Whole Foods criteria to position ourselves for sales to Whole Foods in 2017.**

We are on track to begin delivering to Whole Foods stores in 2017.

5. Discuss your community partnerships.

- **Ventura Unified School District**
- **LA Food Policy Council**
- **Conejo Valley Unified School District**
- **California Community Economic Development Association**
- **California Center for Cooperative Development**
- **National Association of Latino Community Asset Builders (NALCAB)**
- **Victorville CA USDA Rural Development Office (NEW PARTNER)**
  
- How have they contributed to the overall results of the LFPP project?  
**California Center for Cooperative Development regularly recruits for SCFHEF in the immigrant communities, and has provided many farmers to participate in workshops and work on projects together.**  
**NALCAB has provided significant technical assistance in the form of board and staff training. They have provided us with a technical assistance provider who is under contract with them. This ongoing relationship provides valuable assistance in increasing our capacity for future growth.**
- **Conejo Valley USD has ordered on a regular basis, and has made South Central a “Farmer of the Month”, providing education for the schoolchildren about where their food comes from.**
- **Ventura USD has added South Central’s products to their food chain.**
- **California Community Economic Development Association provides support in the community, well-thought-out letters of support, and facilitates additional immigrant/refugee cooperatives to participate in programs. In 2016, CCEDA has provided significant amounts of technical assistance in the form of board and staff training.**
- **LA Food Policy Council has committed to help train farmers in the more stringent requirements of the LA Unified School District. LAFPC has also purchased value-added products.**
- **The USDA Rural Development office in Victorville, CA has offered to partner on future projects involving immigrant and refugee farmers.**
- How will they continue to contribute to your project’s future activities, beyond the performance period of this LFPP grant?

All the community partners are committed to partnering with SCFHEF in similar ways in the future. In addition, CCEDA is helping SCFHEF build a partnership with a large community service organization in Bakersfield, CA, which may result in a joint food hub operation.

SCFHEF has received a Rural Technical Assistance grant for further training from NALCAB. This training will take place throughout 2017, and will include mentoring in financial record-keeping and board and staff training.

6. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?

**Our contract with Palate Impressions has resulted in a completed marketing plan and significant marketing assistance, including the addition of 2 new unified school district customers, a technical assistance agreement with LA Food Policy Council for farmer training, and creation of an online account with Overstock.com and a brokerage account with Aggrigator. Palate Impressions assisted in obtaining and administering the 2 NALCAB grants for South Central. Palate Impressions also assists with customer service and data collection for feedback. Nancy Smith of Palate Impressions has made 2 site visits and conducted a board training workshop and marketing workshop.**

7. Have you publicized any results yet? **\* Yes**

- If yes, how did you publicize the results? **Brochures**
- To whom did you publicize the results? **Customers at Farmers Markets, CSA customers, Rural Development agencies, community partners.**
- How many stakeholders (i.e. people, entities) did you reach? **1,000**

**\*Send any publicity information (brochures, announcements, newsletters, etc.) electronically along with this report. Non-electronic promotional items should be digitally photographed and emailed with this report (do not send the actual item).**

8. Have you collected any feedback from your community and additional stakeholders about your work? **Yes**

- If so, how did you collect the information? **Letters, e-mail, personal comments, reports**
- What feedback was relayed (specific comments)?  
**"This is the first time we have been able to provide organic produce for our schoolchildren." (Ventura Unified School District)**
- **"Quality is excellent and customers are satisfied." ( Aggrigator, a produce brokerage)**
- **"Customer service is amazing." (Online Customer)**
- **"Staff dedication is outstanding, but more staff will be needed in near future." (Technical assistance providers funded by NALCAB rural enterprise grant.)**
- **"We will continue to provide technical assistance through 2017." (NALCAB, community partner)**

9. Budget Summary:

- As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report: x ☐
- Did the project generate any income? **Yes**
  - a. If yes, how much was generated and how was it used to further the objectives of the award? **\$158,677.00**

**Money was used to pay processing workers, pay licensing fees, and buy supplies.**

10. Lessons Learned:

- i. Summarize any lessons learned. They should draw on positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).

- **Our experience has shown that it was better to work with fewer products. We made a decision to reduce the number of value-added products from 52 to 24. Sales actually increased overall, and costs were lowered. The lesson we learned was that too many products can be confusing to consumers, and greatly increase the cost of processing because so many more batches are required, with the additional requirements of more labor and more packaging (e.g. labels).**

**In early September of 2016, we had a 2-day board training with the assistance of NALCAB. We identified the following needs: An advisory board that could help with administrative and financial matters and additional paid staff, especially a knowledgeable marketing person.**

**SCFHEF has been crippled by too small a staff and too few employees. More money for personnel is recommended by our technical service providers when budgeting for the future.**

- **For many years, we relied on the assistance of Good Eggs, a distributor which operated in the Los Angeles area. Good Eggs ceased their LA operations in 2016. This sudden loss of a major distributor showed us the pitfalls of relying too heavily on one distributor and not developing more additional marketing channels.**
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:  
**The loss of Good Eggs for distribution, showed us that we need to do more of our own marketing and not be so dependent on others. Our program income was lower than expected because of the sudden loss of our largest distributor. We have learned the importance of having an employee who is trained in and dedicated to marketing our value-added products.**
  - iii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:  
**We quickly learned that the burden of compliance and reporting was too onerous for our hard-working staff. After 2 months, we learned that it is important to have one person designated to ensure compliance with grant requirements and reporting.**

11. Future Work:

- How will you continue the work of this project beyond the performance period? In other words, how will you parlay the results of your project's work to benefit future community goals and initiatives? Include information about community impact and outreach, anticipated increases in markets and/or sales, estimated number of jobs



retained/created, and any other information you'd like to share about the future of your project.

We are grateful for the opportunity to accomplish this major expansion which will continue to impact our ability to add jobs and increase farmer incomes. We plan to build on the successes of the 2-year grand period and continue to grow in our ability to produce and market our culturally sensitive local food products.

- **Based on sales increases in 2015 and 2016, combined with our ability to sell to Whole Foods, we expect direct sales to increase 40% in 2017 and sales to Whole Foods to equal \$24,000 in 2017. (approximately \$2,000 per month).**
- **Our long-term goal is to sell to all 20 Whole Foods Stores in Southern California. This would increase our sales by approximately \$40,000 per month, or an increase of 2,000%.**
- **An additional long-term goal is to add the LA Unified School District to our school customers. This would increase the percentage of school sales by at least 1000% and would also greatly increase our engagement with schoolchildren, enabling us to increase their understanding of food and farming.**

**Jobs to be created in 2017 and 2018:**

- **12 additional farmer jobs.**
- **4 additional full-time processing jobs.**
- **1 full-time marketing position.**
- **1 The LFPP grant enabled us to purchase the equipment we needed to become compliant with cannery requirements. We will continue to train employees to use the equipment, and have workshops in marketing to assist them with processing and marketing.**
- **We expect to be able to supply an increasing amount of culturally-sensitive, organic value-added products in all our market sectors: Direct sales, institutional sales, and wholesale.**
- **We will create a position for a marketing manager.**
- **We will expand from 1 to 3 part-time drivers.**
- Do you have any recommendations for future activities and, if applicable, an outline of next steps or additional research that might advance the project goals?
- providers.
- **The much-increased production resulting from new equipment is producing a volume of product that needs to be sold. Our clearest need is for a qualified part-time marketing manager who would eventually move to full-time. This need has been identified by staff and technical assistance Based on our past 2 yrs' experience, a new marketing plan will be needed. Some additional equipment would be helpful to increase efficiency. A vegetable slicing machine would increase production.**
- **In addition, some changes need to occur in the makeup of our board, to reflect the need for increased technical knowledge, particularly in financial matters.**